

IN RE:

ADORE ME, INC.

*** IN THE CONSUMER
* PROTECTION DIVISION
* OF THE OFFICE OF
* THE ATTORNEY GENERAL
* OF MARYLAND**

*** * * * ***

ASSURANCE OF DISCONTINUANCE

The Consumer Protection Division of the Office of the Attorney General of Maryland (the “Division”) is entering into this Assurance of Discontinuance (the “Assurance”) with Adore Me, Inc. (the “Respondent” and “Adore Me”).

The Division and the Respondent agree as follows:

PARTIES

1. The Division is responsible for the enforcement of Maryland consumer protection laws, including the Maryland Consumer Protection Act, Md. Code Ann., Com. Law, §§ 13-101 to 13-501 (2013 Repl. Vol. and 2021 Supp.) (the “Consumer Protection Act”).

2. Respondent Adore Me is a corporation organized and existing under the laws of Delaware with its principal place of business at 401 Broadway, 12th Floor, New York, NY 10013. Adore Me is an online retailer that primarily sells women’s lingerie, sleepwear, swimwear, activewear, and accessories.

DEFINITION

3. “Adore Me” means solely AdoreMe, Inc., and all of its past and present officers, employees, agents, subsidiaries, operating companies, predecessors, assigns, and successors. For the sake of clarity, “Adore Me” shall not include Victoria’s Secret & Co. and all of its past, present, and future parents, subsidiaries (other than AdoreMe), affiliates, operating companies,

predecessors, successors, and assigns, as well as each of their respective past, present, and future officers, directors, employees, agents, representatives, and contractors.

4. “Clear and Conspicuous” or “Clearly and Conspicuously” means that a statement is difficult to miss (*i.e.*, easily noticeable) and easily understandable, including in all of the following ways:

- a. In any communication that is solely visual or solely audible, the statement must be made through the same means through which the communication is presented. In any communication made through both visual and audible means, such as a television advertisement, the statement must be presented in Close Proximity in both the visual and audible portions of the communication even if the representation requiring the statement is made in only one means.
- b. A visual statement, by its size, contrast, location, the length of time it appears, and other characteristics, must stand out from any accompanying text or other visual elements so that it is easily noticed, read, and understood.
- c. An audible statement, including by telephone or streaming video, must be delivered in a volume, speed, and cadence sufficient for consumers to easily hear and understand it.
- d. In any communication using an interactive electronic medium, such as the Internet or software, the statement must be unavoidable, meaning that a statement must be presented in such a manner that consumers will be exposed to the statement in the course of communication without having to take affirmative actions, such as scrolling down a page, clicking on a link to other pages, activating a pop-up window, or entering a search term to view the statement.

- e. The statement must use diction and syntax understandable to ordinary consumers and must appear in each language in which the representation that requires the statement appears.
- f. The statement must comply with these requirements in each medium through which it is received, including all electronic devices and face-to-face communications.
- g. The statement must not be contradicted or mitigated by, or inconsistent with, anything else in the communication.
- h. If a statement is necessary as a modification, explanation, or clarification of other information with which it is presented, such that its omission could mislead or deceive consumers, it must be presented in Close Proximity to the information it modifies, explains, or clarifies in a manner so as to be readily noticed or heard and understood.

5. “Close Proximity” means immediately adjacent. In the case of advertisements disseminated verbally or through audible means, the disclosure shall be made as near in time as practicable to the statement necessitating the disclosure.

6. “Effective Date” means the date upon which the last of all parties executed this Assurance.

7. “Express Informed Consent” means an affirmative act or statement giving unambiguous assent to be charged for, or enrolled into, a Membership Program that is made by a consumer after being provided a Clear and Conspicuous disclosure of the material terms of the Membership Program.

8. “Membership Program” shall mean any program in which a consumer enters into an agreement with Adore Me for the provision of benefits, goods, or services for which the

consumer will be charged a Recurring Charge.

9. “Membership Terms” as used in this Assurance shall mean: (a) the fact that the consumer will be enrolled in a Membership Program; (b) the existence, amount, and frequency of a Recurring Charge or any fee required to join or participate in the Membership Program; (c) the deadline by which a consumer may choose to Skip, if applicable; and (d) the consumer’s right to cancel his or her enrollment in the Membership Program.

10. “Recurring Charge” shall mean one or more charges placed on a consumer’s account after the consumer’s initial purchase that is made without further authorization from the consumer, and which is charged unless the consumer takes an affirmative step to prevent the charge.

11. “Pay As You Go” shall mean the purchase option whereby the consumer pays the listed price, subject to promotions or savings, without any future obligation on the part of the consumer.

12. “Payment Vacation” shall mean a feature of the Membership Program that allows the consumer to remain enrolled in the Membership Program without requiring the consumer to pay the monthly Recurring Charge for a certain period of time (which period is and shall be set by Adore Me).

13. “Save the Sale” means the process, or the result of a process, utilized by Adore Me for the purpose of retaining a consumer who contacts Adore Me to cancel a membership.

14. “Skip” means an Adore Me feature which requires the customer to affirmatively elect to avoid a Recurring Charge according to the Membership Program.

THE DIVISION’S ALLEGATIONS

15. Respondent Adore Me is a retailer of intimate apparel. Since approximately

January 2013, at various times, Respondent has advertised its products on the Internet through its own website, adoreme.com, social media advertisements, search engines, and through other media channels such as television commercials and print media.

16. Respondent's Membership Program offered a consumer a discount on his or her initial purchase of merchandise, as well as discounted prices on future purchases, with "[n]o obligation to buy every month, [and] no membership fee." However, each month, Adore Me charged a consumer enrolled in its Membership Program \$39.95, unless, within the first five days of the month, the consumer "shop[ped]" and purchased merchandise or "skip[ped]" buying merchandise that month via a one-click skip button. For a consumer who did not "shop" or "skip" during the required five-day period, Adore Me charged their credit or debit cards \$39.95, which was then reflected as a store credit in the consumer's Adore Me account. Additionally, a consumer enrolled in the Membership Program could take a Payment Vacation, which allowed the consumers to avoid having to "shop," "skip," or pay for store credit for up to two consecutive months.

17. Prior to June 2016, a consumer who logged onto Adore Me's website and purchased products was placed into the Membership Program without any affirmative action on their part and without an adequate Clear and Conspicuous disclosure that they would be charged \$39.95 per month going forward.

18. As of the Effective Date of this Assurance, a consumer can purchase Adore Me's products through the company's website by either making a one-time Pay As You Go purchase or by enrolling in Adore Me's Membership Program that includes a Recurring Charge.

19. Until approximately June 2016, Adore Me at times advertised promotional prices that were available only to a consumer who was a member of its Membership Program and not

to a consumer who selected the Pay As You Go option, without Clearly and Conspicuously disclosing this fact.

20. In addition, prior to June 2016, Respondent marketed its Membership Program to consumers without Clearly and Conspicuously disclosing the material terms and conditions of the offer, including that consumers had to take affirmative action to avoid a Recurring Charge, such as choosing to (a) “skip” buying merchandise that month, (b) go on a Payment Vacation, or (c) cancel their membership.

21. Prior to June 2016, Respondent’s order summary page did not Clearly and Conspicuously disclose that a \$39.95 Recurring Charge applied if consumers did not take affirmative action by a certain date each month. For example, at various times, the order summary page stated, “It is membership based but you can skip. You don’t have to buy every month,” This quoted language caused some consumers to believe that enrollment in the Membership Program did not result in monthly charges. Consumers had to scroll down the page to see the statement regarding the Recurring Charge.

22. Prior to June 2016, members of the Membership Program could spend or forfeit accrued store credits when they cancelled their membership or seek a refund by contacting Adore Me’s customer service within 30 days. This program detail was not Clearly and Conspicuously disclosed to consumers but was instead disclosed in, among other places, the company’s Terms & Conditions, which required consumers to scroll to the bottom of the home page and click the Terms & Conditions link.

23. Prior to 2016, Adore Me also implemented and maintained cancellation policies and practices that frustrated some consumers’ ability to cancel their membership, including: (a) limiting the means consumers could use to submit cancellation requests; (b) under-staffing its

customer service department, making it difficult to submit or get a response to such requests; (c) putting consumers through drawn-out cancellation request processes, such as requiring consumers to complete a quiz; and/or (d) in certain situations, refusing to accept, process, or act on cancellation requests.

24. From at least January 2012 to May 2016, Respondent advertised that if consumers enrolled in its VIP Membership program and accrued store credit that they could use the store credit “anytime” to purchase its products. However, during that same period, Adore Me had a policy in which consumers’ store credit was forfeited if they cancelled their VIP Membership. Respondent did not adequately disclose this store credit forfeiture policy to consumers before enrolling them in the VIP program. Adore Me enforced this store credit forfeiture policy from at least May 2015 to May 2016 by taking unused store credit amounts accumulated by consumers who cancelled their memberships in the VIP program, deeming such store credit to be forfeited upon cancellation.

25. As a result of these practices, prior to June 2016, Adore Me retained amounts that it obtained from certain Maryland consumers who the Division contends did not knowingly authorize Adore Me to bill them for a Membership Program, unwillingly forfeited or spent down their store credit, or were delayed in cancelling their memberships.

26. Prior to 2023, Respondent has deceptively advertised to consumers that its discounted prices were time-limited. The advertisements on its website and mobile Internet app have contained a countdown timer, displayed prominently at the top of the screen, that started at 60 minutes and automatically counted down to 0. Adore Me has also at times included a statement next to the countdown timer that stated expressly that the offer was temporary, such as “Limited Time Left!” Both the countdown timer and statement have appeared at times near the discounted

VIP price. Taken together, such representations conveyed to consumers that in order to take advantage of the discounted price, they must act quickly before the countdown timer reached zero. The use of a countdown timer and representations of limited duration were false because in reality the offers did not expire, and had not expired, if and when the countdown timer reached zero.

27. From at least 2014 through the Effective Date, Adore Me represented in its terms and conditions that it may take a one cent transaction fee from consumers “for security purposes.” The Division alleges that the one cent transaction fee served no security purpose but rather served to reduce the Respondent’s chargeback rates with credit card processors and issuers and was therefore misleading.

28. The Restore Online Shoppers’ Confidence Act, 15 U.S.C. § 8403, requires a seller marketing a negative option feature over the Internet to, among other things, Clearly and Conspicuously disclose all material terms of the transaction before obtaining a consumer’s billing information.

29. The Consumer Protection Act prohibits unfair, abusive, and deceptive acts or practices, including false advertising, misleading statements, and material omissions in consumer transactions.

30. Respondent’s past practices, prior to June 2016, of failing to disclose pricing and/or terms of its VIP Membership program, impairing consumers’ ability to cancel, and keeping forfeited credits, and, prior to 2023, of creating a false sense of urgency to obtain discounts, as well as its current practice of misleading consumers about one cent transactions are unfair and deceptive trade practices that violate the Consumer Protection Act.

31. The Division contends that there are refunds that remain owed to Maryland consumers from inactive account balances.

RESPONDENT'S DENIALS

32. Respondent asserts that, at all times relevant to the Division's inquiry, it complied with all applicable laws in Maryland. Respondent denies that its conduct violated any provision of the Consumer Protection Act or the Restore Online Shoppers Confidence Act.

33. Respondent denies that consumers were automatically placed into the Membership Program without any affirmative action on the consumers' part and without adequate Clear and Conspicuous disclosures. Respondent further asserts that consumers were given the option to choose Pay As You Go at checkout.

34. Respondent denies that its cancellation policies were deceptive or frustrated consumers' ability to cancel memberships. Respondent further denies that it intentionally understaffed its customer service department.

35. Respondent denies that it has made misleading statements to consumers and denies that its advertising was deceptive or misleading.

36. Respondent agrees to the terms of this Assurance, without trial of any issue of fact or law, for the purpose of resolving its dispute with the Division regarding the above allegations. Nothing in this Assurance shall constitute an admission of liability and it is the intent of the parties that this Assurance not be considered evidence against any party other than in connection with an action to enforce its terms.

CEASE AND DESIST PROVISIONS

37. The cease-and-desist provisions of this Assurance shall apply to Respondent and its officers, employees, agents, successors, assignees, merged or acquired entities, and wholly-owned subsidiaries.

A. General Business Practices

38. Adore Me shall comply with all applicable federal and state laws in connection with its marketing and sales of products or services to Maryland consumers.

39. Adore Me shall not make express or implied misrepresentations or omissions that have the capacity, tendency, or effect of deceiving or misleading consumers in connection with the offer or sale of products or services to Maryland consumers.

40. When advertising a discount, price, benefit, incentive, or other offer that is available only to a consumer who enrolls in a Membership Program, Adore Me shall Clearly and Conspicuously disclose that fact and the amount and frequency of the associated Recurring Charge in Close Proximity to the discount, price, benefit, incentive, or other offer. The requirements in this paragraph are in addition to the requirements for Express Informed Consent set forth in paragraph 42 below.

41. Adore Me shall, prior to the place or time that it obtains a consumer's Express Informed Consent to be enrolled in a Membership Program, pursuant to paragraph 42 of this Assurance, Clearly and Conspicuously disclose all fees, costs, and material terms and conditions, limitations, and restrictions applicable to the Membership Program, including, but not limited to:

- a. The dollar amount of the first Recurring Charge and when it will be charged, withdrawn, or become due; the dates or frequency of all subsequent Recurring Charges; and the dollar amount or range of costs of all subsequent Recurring Charges;
- b. To the extent Adore Me charges a Recurring Charge on a monthly basis, the fact that Adore Me will charge a Recurring Charge every month unless the consumer takes affirmative action each month to avoid the Recurring Charge (such as by shopping, Skipping, or going on a Payment Vacation), and a description of how a

consumer can take such affirmative action, and the date or time period by which a consumer must act to avoid a Recurring Charge; and

- c. The steps and means by which a cancellation request must be submitted and the date or time period by which a cancellation request must be received to avoid a Recurring Charge.

42. Adore Me shall, prior to enrolling any consumer in a Membership Program, obtain the consumer's Express Informed Consent as follows:

- a. For all written offers (including over the Internet or other web-based applications or services), consent may be obtained through a check box, signature, or other substantially similar method that the consumer must affirmatively select (*i.e.*, it cannot be pre-checked). In Close Proximity to such check box, signature, or other method that the consumer must affirmatively select, Adore Me shall Clearly and Conspicuously disclose the costs associated with enrollment in the Membership Program, that the consumer is agreeing to pay such costs, the length of any trial period, and the affirmative steps that the consumer can take (*e.g.*, Skip, go on a Payment Vacation, or cancel his or her membership) to avoid being charged. This disclosure shall contain no additional information, and cannot be used to satisfy, in isolation, the disclosure requirements in paragraph 41 of this Assurance.
- b. For all oral offers (if applicable), including any new offers made during a customer-initiated call, make a recording of the entire transaction, including the sales representations, evidencing the consumer's agreement to the Membership Program that includes a Recurring Charge. The recording must demonstrate that the consumer has provided billing information, such as the last four (4) digits of

the account to be charged, specifically for the purpose of participating in the Membership Program that includes a Recurring Charge. The recording must also demonstrate that Adore Me has disclosed to the consumer all costs associated with the Membership Program, that the consumer is agreeing to pay such costs, the length of any trial period, and the affirmative steps that the consumer can take (*e.g.*, Skip, go on a Payment Vacation, or cancel his or her membership) to avoid being charged.

43. Adore Me shall retain, for at least two (2) years after any Maryland consumer terminates a Membership Program, proof of the Express Informed Consent required by paragraph 42, including the date that the consent was provided; the email address of the consumer; a recording of the telephone call, if applicable; and, if such consent is provided online, the IP address of the consumer and technical documentation of the consent. Adore Me shall, upon written request, make such proof available to the Division and to any consumer who disputes his or her enrollment in a Membership Program. Adore Me shall also retain, for at least two (2) years after the Effective Date of this Assurance, exemplars of its Expressed Inform Consent required by paragraph 42. Adore Me shall, upon written request, make such exemplars available to the Division.

44. Adore Me shall send an invoice to Maryland consumers for each shipment containing products delivered to the consumer enrolled in a Membership Program. The invoice shall Clearly and Conspicuously disclose the Membership Terms and include with the statement a link to a secure webpage where the consumer can access and manage the account information associated with their Membership Program, including the option to cancel their account (the “Account Management page”). If Adore Me offers the ability to cancel enrollment in a Membership Program by telephone, the invoice statement will also include the telephone number

for a consumer to call to cancel their membership. Adore Me shall also Clearly and Conspicuously include a link on its website and mobile application to its return and exchange policy.

45. Adore Me shall Clearly and Conspicuously disclose under what circumstances store credit is issued and all material limitations on how or when the credit can be used or refunded, including, but not limited to, any time period by which a consumer must request a refund of a credit.

46. Adore Me shall not represent, in its offer or sale of Membership Programs, that a Recurring Charge is a “credit” or “store credit,” unless such a representation coincides with a Clear and Conspicuous disclosure, if true, that the consumer will be charged the Membership Program’s Recurring Charge, which creates the issuance of a credit that will be stored in the consumer’s account.

47. Adore Me shall promptly and thoroughly investigate consumer complaints and, within thirty (30) days of the Effective Date of this Assurance, designate a person to act as a direct contact for the Division for resolution of Maryland consumer complaints. Adore Me shall provide the Division with the name and address of the direct contact designated to handle consumer complaints filed with the Division and shall provide the Division with updated information within fourteen (14) days of any change in the information.

48. Within thirty (30) days of the Effective Date of this Assurance, Adore Me shall retain a compliance officer or designate an employee with specific responsibility for ensuring that Adore Me complies with the terms of this Assurance.

49. Adore Me shall Clearly and Conspicuously disclose any mandatory arbitration clause in contracts with Maryland consumers and in its Terms & Conditions.

B. Cancellations and Refunds

50. Adore Me shall provide a simple online mechanism for Maryland consumers to cancel their membership and shall promptly accept and process any request by a Maryland consumer to cancel his or her membership and stop billing and collecting payments for any Recurring Charge. The online mechanism must not be difficult, costly, confusing, or time consuming. For purposes of this provision, a one-click way to cancel Recurring Charges associated with enrollment in a Membership Program is a sufficiently simple mechanism. Nothing in this paragraph shall diminish Adore Me's ability to attempt to Save the Sale.

51. Adore Me shall include on its website a link to the Account Management page. Adore Me shall Clearly and Conspicuously display, on the Account Management page, a hyperlink or button labeled "Cancel My Account," or words of similar import, that directs the consumer to the simple online mechanism to cancel. If Adore Me provides a consumer the ability to cancel their membership via telephone, the telephone number for the consumer to call to cancel shall also be listed on the Account Management page.

52. Adore Me shall include in all transactional emails concerning a Maryland consumer's membership in the Membership Program (*e.g.*, emails confirming the joining of a Membership Program, emails confirming the processing of a Recurring Charge, and Shop-or-Skip emails) a Clear and Conspicuous statement that consumers may cancel their membership at any time without penalty and include a link to the Account Management page.

53. If Adore Me's customer relationship team, or any other Adore Me employee or agent whose job duties include customer service, receives a cancellation request via email, telephone, or other means, then Adore Me shall promptly, but in no later than five (5) business days: (a) cancel the consumer's membership or (b) provide the consumer a link or web address to the simple online mechanism to cancel. Adore Me shall train any employees that regularly receive,

or may regularly receive, consumer cancellation requests via email, telephone, or other means, to provide consumers with a link to Adore Me's simple online mechanism as part of a response to a request to cancel.

54. Adore Me shall promptly honor Maryland consumer cancellation requests, including requests from a consumer who is on a Payment Vacation from a Membership Program, and Adore Me shall cease further billing.

55. Adore Me shall not require Maryland consumers to complete an online quiz or survey in order to cancel their Membership Program and shall not make more than one attempt to Save the Sale once a consumer has indicated an intent to cancel. Nothing in this section shall preclude Adore Me from asking a consumer the reason(s) for cancellation during the cancellation process, provided that such a process is quick, simple, and not burdensome to the consumer. Providing a consumer a radio button to click indicating the reason for cancelling does not, by itself, violate this paragraph.

56. Adore Me shall, in any attempt to Save the Sale, Clearly and Conspicuously disclose the Membership Terms.

57. Adore Me shall, in any attempt to Save the Sale that involves offering a Maryland consumer a Payment Vacation, Clearly and Conspicuously disclose the length of time during which Recurring Charges would be suspended, and the date on which the Recurring Charges would re-commence.

58. Adore Me shall provide all Maryland consumers the opportunity to request and obtain a refund of any Recurring Charge balance accrued within the preceding thirty (30) days via an electronic one-click refund option.

59. To the extent not already refunded, Adore Me shall provide Maryland consumers

the opportunity to request and obtain a refund of any Recurring Charge balance accrued within the prior year, but outside the preceding thirty (30) days, via a simple mechanism accessible over the Internet or through another web-based application or service. This simple mechanism shall be labeled “Request a Refund,” or words of similar import, and shall generate an electronic claims form allowing consumers to request a refund of any such amounts based on the month accrued. Any refund requested under this paragraph shall be processed by Adore Me and paid to the consumer within five (5) business days. For purposes of this paragraph, when consumers redeem a recurring charge for merchandise, Adore Me shall credit the consumers as having redeemed the oldest recurring charge in the consumers’ accounts, by the date accrued.

C. Prohibited Practices

60. Adore Me shall cease making Recurring Charges to any Maryland consumer enrolled in a Membership Program who has accumulated twelve (12) months of store credit via Recurring Charges.

61. Adore Me shall not enroll a consumer in a Membership Program without Clearly and Conspicuously disclosing that consumer has the option to choose the Pay As You Go (or any other) program that does not include a Recurring Charge.

62. Adore Me shall not misrepresent, either orally or in writing, expressly or by implication, any material fact in connection with the marketing or sale of any Adore Me Membership Program, including, but not limited to:

- a. misrepresenting that a good, product, program, or service is “free” or requires “no commitment,” or words of similar import, denoting or implying the absence of an obligation on the part of the recipient of the offer to affirmatively act in order to avoid a charge, including where a charge will be assessed pursuant to the offer

unless the consumer takes affirmative action to prevent or stop such a charge;

- b. misrepresenting the purpose for which a consumer's credit or debit card billing information will be used; and
- c. misrepresenting the material terms and conditions of any policies and practices regarding cancellations and refunds.

63. Adore Me shall not cause Maryland consumers to lose unused Recurring Charges when the consumer cancels their enrollment in the Membership Program.

64. Adore Me shall cease charging Maryland consumers the one cent "security fee."

65. Adore Me shall not misrepresent the purpose of any fee or amount that it charges consumers.

D. Compliance and Monitoring

66. Twelve (12) months after the Effective Date of this Assurance, Adore Me shall file with the Division a report, under penalty of perjury, setting forth in detail the manner and form in which it has complied with this Assurance and include representative exemplars of its advertising. Adore Me shall, upon request by the Division, provide the Division with copies of records and documents sufficient to demonstrate Adore Me's compliance with the requirements of this Assurance.

RESTITUTION

67. Respondent shall pay restitution in an amount equal to all credit balances with an Adore Me membership status of either former VIP or inactive VIP (together "Former/Inactive VIP Consumers") that were or have not been spent by the Former/Inactive VIP Consumers.

68. Former/Inactive VIP Consumers shall be entitled to receive restitution equal to the amount of any balance that they did not spend (the "Former/Inactive VIP Consumer Restitution

Amount”).

69. Respondent shall distribute restitution to consumers consistent with the claims procedure set forth below.

70. Respondent shall also pay restitution by notifying Maryland consumers who remain active in Adore Me’s Membership Program (“Active Consumers”) of the option to obtain a refund of all account credits for Recurring Payments that they have accumulated for the prior one-year period (the “Active Consumer Refund Amount”).

A. Refunds to Active Consumers

71. No later than thirty (30) days from the Effective Date of this Assurance, Respondent shall send its Active Consumers the notice attached hereto as Exhibit A (the “Active Consumer Claims Notice”) informing them of their right to obtain a refund of their Active Consumer Refund Amount. The notice shall be sent to Active Consumers by electronic mail. The subject line of the email shall read “Settlement with Maryland Attorney General – Right to Obtain Refund.” The text of the email shall read “Attached is a claim notice with information concerning how you can obtain a refund through a settlement reached with the Attorney General of Maryland” and shall contain a link to the page on AdoreMe’s website where the consumer may request a refund.

72. Active Consumers may elect to receive the Active Consumer Refund Amount by requesting a refund online at Respondent’s website.

73. Respondent shall provide a dedicated individual or individuals who shall respond to Active Consumers who contact Respondent either to elect refunds of their Active Consumer Refund Amount or to ask questions about their refund offers. The Respondent shall respond to all inquiries it receives from Active Consumers within 2 business days of receiving them. The Respondent shall inform all Active Consumers who contact it regarding their potential refunds of

their Active Consumer Refund Amount that they are entitled to a refund of their accumulated account credit balance of Recurring Payments for up to a one-year period. The Respondent shall not make any attempt to Save the Sale when speaking with any Active Consumers concerning their Active Consumer Refund Amount.

74. Respondent shall make refund payments to Active Consumers who elect to receive a refund of their Active Consumer Refund Amount no later than thirty (30) days after the Active Consumers elect to receive their refund. Respondent may make refund payments pursuant to this paragraph by crediting the amounts to the credit or debit cards consumers used to make their Recurring Payments, or by any other method that is agreed to by the Active Consumers.

75. No later than two hundred and forty (240) days from the Effective Date, the Respondent shall provide the Division with a list of all Active Consumers (the “Active Consumer List”). For each Active Consumer whose name is contained on the Active Consumer List, the Respondent shall provide the following information, in the form of an electronic spreadsheet with each item in a separate field:

- a. the consumer’s first name;
- b. the consumer’s last name;
- c. the consumer’s address;
- d. the consumer’s telephone number;
- e. the consumer’s email address;
- f. the consumer’s Active Consumer Refund Amount;
- g. an indication of whether the consumer elected a refund of their Active Consumer Refund Amount; and
- h. the date the consumer received their Active Consumer Refund Amount.

B. Refunds to Former/Inactive VIP Consumers

76. Within fifteen (15) days from the Effective Date, the Respondent shall deposit the total amount of Former/Inactive VIP Restitution Amounts that it owes pursuant to paragraph 67 and that Former/Inactive VIP Consumers are entitled to receive pursuant to paragraph 68 into an escrow bank account that shall be established exclusively for the purpose of distributing restitution pursuant to the claims procedure outlined herein (the “Restitution Account”). The financial institution in which the Restitution Account is established shall be a Maryland-chartered or nationally chartered bank located in Maryland. The Respondent shall provide the Division monthly statements issued by the bank in which the Restitution Account is maintained that reflect the balance of the account and all deposits and withdrawals made during the reporting period contained in the statement.

77. Within fifteen (15) days of the Effective Date the Respondent shall provide the Division with a list of all “Former/Inactive VIP Consumers” (the “Inactive Consumer List”). For each consumer whose name is contained on the Inactive Consumer List, the Respondent shall provide the following information, in the form of an electronic spreadsheet with each item in a separate field:

- a. the consumer’s first name;
- b. the consumer’s last name;
- c. the consumer’s address;
- d. the consumer’s telephone number;
- e. the consumer’s email address;
- f. the date(s) the consumer opened an account with Adore Me;
- g. the consumer’s membership category of “exvip” or “vip_cold”; and

h. the amount of the unused credit balance refund owed to the consumer.

78. The Respondent shall not use the information contained in the Consumer List for any purpose other than to effectuate the terms of this Assurance.

79. Within sixty (60) days from the Effective Date, the Respondent shall provide a full refund ("Refund Payment") to each consumer on the Consumer List that is owed a refund. Respondent shall also send each consumer who receives a Refund Payment the Restitution Notice Letter attached as Exhibit B.

80. For refunds made by check, Respondent may use the Restitution Account.

81. For refunds Respondent makes through reverse charges made to Former/Inactive Consumers' credit cards, the Respondent may withdraw funds from the Restitution Account equal to amounts it has successfully refunded to Former/Inactive Consumers through such reverse charges.

82. The Respondent shall not issue a Form 1099-MISC tax report to any consumers who receive a payment pursuant to this Assurance.

83. Consumers shall have one hundred twenty (120) days from the date of issuance of a Refund Payment in the form of a check ("Restitution Check") to present such Restitution Check for payment.

84. If any Restitution Notice letter or Restitution Check mailed by the Respondent are returned as undeliverable, the Respondent shall resend the Restitution Notice letter and/or Restitution Check to any different address that is identified for the consumer through a Global Address Verification Service (such as the United States Postal Service's National Change of Address Database or Melissa, Inc.) and agreed to by the Division, or to any address that is provided to the Respondent by the Division. If no address is available for a consumer through a Global

Address Verification Service or supplied by the Division, or the consumer does not cash the restitution check that was mailed pursuant to this paragraph, then this unpaid restitution amount shall be paid to the Division as set forth below.

85. Three hundred (300) days from the Effective Date, the Respondent shall provide the Division with a revised Inactive Consumer List setting forth the information required in the Inactive Consumer List and including an additional field stating whether the restitution payment made to each consumer was accepted or is still due and owing. The revised Inactive Consumer List shall be submitted to the Division in the same format required for the Inactive Consumer List under paragraph 77.

86. At the same time the Respondent is required to remit the revised Inactive Consumer List to the Division, the Respondent shall turn over any funds that were not paid to consumers, and remain in the Restitution Account, to the Division by remitting the funds to the Office of the Maryland Comptroller. Along with the funds, the Respondent shall provide a paper and electronic spreadsheet containing the names, mailing addresses, telephone numbers, email addresses, and unpaid restitution amounts owed to the individual consumer(s) with an explanation that the funds that are being remitted are due and owed to each consumer pursuant to this Assurance and are being remitted to the Office of the Comptroller to be held in the name of each consumer as an unclaimed fund.

87. Respondent shall preserve all data and documents that it possesses related to all consumers who are owed refunds under this Assurance. The data and documents shall include, but not be limited to, information identifying the names, addresses, and contact information of all consumers who paid Respondent for unused credits and copies of all checks, credit card receipts, and statements reflecting their payments. The Respondent shall, upon the Division's request, make

such data and documents available to the Division for inspection within a reasonable time from the request, which shall not exceed thirty (30) days.

88. The Respondent and the Division may agree to extend or revise any deadline contained herein when circumstances warrant such a revision.

PAYMENT TO THE DIVISION

89. Within (30) days of the Effective Date, the Respondent shall also pay the Division Two Hundred Fifty Thousand Dollars (\$250,000), which shall be used by the Division as attorneys' fees and other costs of investigation and litigation, or be placed in, or applied to, the consumer protection enforcement fund including future consumer protection enforcement, consumer education, litigation, or local consumer aid fund or revolving fund, used to defray the costs of the inquiry leading hereto, or for any lawful purpose, at the sole discretion of Attorney General. The Parties acknowledge that the payments described herein are not a fine, penalty, or payment in lieu thereof.

RELEASE

90. Upon the full and final payment of the restitution amounts and payments to the Division under Paragraph 89 of this Assurance, the Respondent shall be released from any further liability to the Division under the Consumer Protection Act and Restore Online Shoppers Confidence Act for the conduct alleged herein that occurred prior to the effective date of this Assurance.

NOTICE

91. When notice is required under this Assurance, notice shall be provided in writing. Notice to the Division shall be directed to:

Philip Ziperman
Consumer Protection Division

Office of the Attorney General
200 St. Paul Place, 16th Floor
Baltimore, MD 21202
(410)-576-7057
pziperman@oag.state.md.us

and

Chief
Consumer Protection Division
Office of the Attorney General
200 St. Paul Place, 16th Floor
Baltimore, MD 21202
consumer@oag.state.md.us

Notice to Respondent shall be directed to:

Kelley Connolly Barnaby, Esq.
Alston & Bird
950 F Street, NW
Washington, DC 20004
Kelley.Barnaby@alston.com

Any party may change its designated notice recipients by written notice to the other party.

REQUESTS FOR INFORMATION

92. Any Consumer Personally Identifiable Information (“PII”) provided to the Division by Adore Me in connection with this settlement will be kept confidential to the full extent provided by all applicable state and federal laws and regulations, including but not limited to the Maryland Public Information Act. The Division shall only use any PII provided by Adore Me solely for its own purposes in connection with this settlement. Should disclosure be required in order to comply with federal and state law, the Division will provide sufficient advance notice to Adore Me prior to disclosing the PII to provide Adore Me an opportunity to object or seek an appropriate order preventing disclosure. Nothing contained herein shall prevent the Division from sharing PII protected under this paragraph with another law enforcement agency, provided that in sharing the information the receiving law enforcement agency agrees to maintain the same confidentiality for

the shared information that is provided herein.

DISPUTES

93. The Chief of the Division, or his or her designee, shall resolve any disputes concerning this Assurance and enter any supplemental orders needed to effectuate its purpose.

ENFORCEMENT

94. The Respondent understands that this Assurance is enforceable by the Consumer Protection Division, pursuant to the Consumer Protection Act, and that any violation of this Assurance is a violation of the Consumer Protection Act.

95. The Respondent agrees that any violations of this Assurance or future violations of the Consumer Protection Act similar to those in the Division's allegations shall constitute a subsequent violation of the Consumer Protection Act for purposes of Consumer Protection Act §13-410 and shall be subject to the penalty provisions for subsequent violations contained therein.

96. Nothing in this Assurance shall (a) be used, cited, or be admissible in any civil litigation or arbitration not pursued by the Division or (b) create or destroy any private rights, causes of action, third party rights or remedies of any individual or entity other than by the Division against Adore Me.

**Consumer Protection Division
Office of the Attorney General**

By: 

Philip Ziperman
Deputy Chief

Date May 6, 2025

Adore Me, Inc.

By: 

Date 5/1/25

CAROLYN A. QUATTROCKI
Chief Deputy Attorney General

LEONARD J. HOWIE III
Deputy Attorney General

CARRIE J. WILLIAMS
Deputy Attorney General

SHARON S. MERRIWEATHER
Deputy Attorney General

ZENITA WICKHAM HURLEY
Deputy Attorney General



STATE OF MARYLAND
OFFICE OF THE ATTORNEY GENERAL

ANTHONY G. BROWN
Attorney General

PETER V. BERNS
General Counsel

CHRISTIAN E. BARRERA
Chief Operating Officer

<Date>
[CURRENT TENANT]
<Consumer Name>
<Consumer Address>

Re: **Notice of Settlement- AdoreMe**
Refund Amount: \$**x.xx**

Dear <Consumer>,

The Office of the Attorney General of Maryland, Consumer Protection Division ("Division") and AdoreMe, Inc. ("AdoreMe") have reached a settlement that resolves the Division's allegations that AdoreMe violated the Maryland Consumer Protection Act.

As a result of this settlement, as a former customer of AdoreMe, you are entitled to a refund in the amount listed above. This amount equals the total of the accumulated credits that remain in your account with AdoreMe.

If you have any questions or concerns, you may contact Kimoya Henry in the Consumer Protection Division at (410) 576-xxxxx.
Regards,

A handwritten signature in black ink, appearing to read 'A.G. Brown'.

Anthony G. Brown
Attorney General

A handwritten signature in black ink, appearing to be a stylized 'C' followed by a flourish.

CAROLYN A. QUATTROCKI
Chief Deputy Attorney General

LEONARD J. HOWIE III
Deputy Attorney General

CARRIE J. WILLIAMS
Deputy Attorney General

SHARON S. MERRIWEATHER
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STATE OF MARYLAND
OFFICE OF THE ATTORNEY GENERAL

ANTHONY G. BROWN
Attorney General

PETER V. BERNIS
General Counsel

CHRISTIAN E. BARRERA
Chief Operating Officer

<Date>

[CURRENT TENANT]

<Consumer Name>

<Consumer Address>

Re: **Notice of Settlement- AdoreMe**
Refund Amount: \$x.xx

Dear <Consumer>,

The Office of the Attorney General of Maryland, Consumer Protection Division ("Division") and AdoreMe, Inc. ("AdoreMe") have reached a settlement that resolves the Division's allegations that AdoreMe violated the Maryland Consumer Protection Act.

As a result of this settlement, as an existing customer of AdoreMe, you are entitled to a refund in the amount listed above. This amount equals up to one year of credits that you have accumulated in your AdoreMe account. If you would like to have this credit amount returned to you, please visit AdoreMe's website at [URL] or call AdoreMe at _____ and let the company know that you are entitled to a refund in the amount listed above per the Maryland Attorney General's settlement with AdoreMe.

If you have any questions or concerns, you may contact Kimoya Henry in the Consumer Protection Division at (410) 576-xxxx.

Regards,

A handwritten signature in black ink, appearing to read "A.G. Brown".

Anthony G. Brown
Attorney General

A handwritten signature in black ink, appearing to read "Peter V. Bernis".